

# House Committee on Natural Resources

## How Western Drought Impacts Every American

Testimony from Nicole Rolf

The 2021 drought in the West had severe impacts on Montana's farmers and ranchers and the effects will continue to ripple across farm country for some time, especially if the drought continues into 2022.

As background, Montana experienced a wide spread drought last year that was one for the record books. According to the U.S. Drought Monitor, 100% of the state was listed as being in a D2 drought or higher on September 28, 2021 with over 21% being in a D4 drought category. Thankfully since that time, parts of Montana have received enough snow or rain to improve the situation slightly. That said, the Drought Monitor still shows 93% Montana being in some level of drought.<sup>1</sup> 66.2% of our 58 million acres used for farming and ranching is rangeland<sup>2</sup>, the vast majority of which is unirrigated relying completely on rainfall. In fact, there are only about 2 million irrigated acres in Montana.<sup>3</sup> To these irrigated acres, adequate maintenance for federal water projects is of utmost importance. I share these statistics to help illustrate why the drought has had such a profound impact on production.

The drought forced many ranchers to sell off part, and in some cases all, of their herds because they did not have enough grass or could not afford hay or other feed for their livestock. We saw the sell offs start as early as last spring, with ranchers selling cow/calf pairs and yearling heifers, and it continued throughout the year. The USDA-NASS numbers show that total cattle numbers in the state were reduced by 10% from January 2021 to January 2022. Even more telling is the 13% reduction in replacement heifers, which shows cattle numbers will continue to shrink as ranchers wait for the range to recover and for feed prices to go down. Reducing and selling off herds is difficult for ranchers because they are essentially getting rid of their productive assets, inhibiting their future income. In many cases, they have spent years building up desired genetics in their herds and it will be difficult for them to replace those lost animals. As a personal example, my husband and I ranch in eastern Montana. We had to sell 20% of our cows last year and are currently considering further reductions. This is a very common theme across the state.

Likewise, crop yields were reduced. Wheat production fell from over 228.6 million bushels in 2020, to 100.8 million bushels in 2021. Hay production fell from 5.9 million tons to 3.5 million tons.

As you can see from this information alone, the drought directly impacted the supply of commodities produced in the state of Montana, as it did in other states.

Additionally, input and transportation costs have risen and are projected to continue rising. Input costs like fertilizer, seed, livestock feed, machinery, crop protection tools, and fuel etc. hit farmers directly in

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<sup>1</sup> U.S. Drought Monitor. <https://droughtmonitor.unl.edu/CurrentMap/StateDroughtMonitor.aspx?MT>

<sup>2</sup> Montana Ag Fact, USDA - National Ag Statistics Service.

[https://www.nass.usda.gov/Statistics\\_by\\_State/Montana/Publications/Special\\_Interest\\_Reports/MT-Montana-Ag-Facts-04082022.pdf](https://www.nass.usda.gov/Statistics_by_State/Montana/Publications/Special_Interest_Reports/MT-Montana-Ag-Facts-04082022.pdf)

<sup>3</sup> Montana Department of Natural Resources.

the bottom line. Furthermore, some inputs are difficult to obtain due to supply chain issues. Ranchers and farmers may go to their local supply store, only to find that what they need is out of stock and there is no predicted delivery date. Transportation costs add expense to commodities even after they leave the farm. For example, most of the calves born in Montana are sent out of state after they are weaned for further feeding. The trucking costs to get them to their next destination add even more cost to the production of the end-product.

With all of this being said, it's important to note that higher grocery store prices are not necessarily indicative of higher farm incomes. Even with higher commodity prices, the combination of higher input costs and reduced yields will make it difficult for farmers and ranchers to turn a profit. One thing that must be done to ensure an affordable and abundant food supply in this country is to maintain a robust farm safety net through the Farm Bill.

Drought makes the need for access to land even more evident. The state of Montana is roughly 29% federally owned, predominantly BLM and Forest Service. Many ranchers utilize grazing leases on these properties. It's important to remember how critical grazing is as part of multiple use management on these lands for things like fire management and providing food security to this country. As agencies move forward with developing Land Use Plans, grazing plans, and even endangered species considerations, I would urge them not to reduce grazing leases. Public land grazing helps keep food costs low in this country and moving away from it, especially during the drought, would be devastating to individual ranchers and will impact all citizens.

Respectfully submitted,

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